HON'BLE SRI JUSTICE GOPALA KRISHNA TAMADA

W.P.No.13258 of 2003

Dated 11th day of July, 2007

Between:

V. Sominaidu .. Petitioner

And

The Deputy General Manager
(Works Contract) Works
Contract Cell, Visakhapatnam Steel Plant,
Visakhapatnam
and another .. Respondents

-
-
-

O R D E R:

This writ petition is filed seeking a mandamus to declare the action of the 1st respondent in debarring the petitioner from entering into any further business whatsoever with "Visakhapatnam Steel Plant" for a period of 5 years and also terminating his existing two contracts dated 17.9.2002 and 13.9.2002 respectively, as arbitrary and illegal.

The petitioner asserts that he is an illiterate and has been working as a Civil Engineer Works Contractor with Visakhapatnam Steel Plant for the last 19 years without any blemish and to the satisfaction of authorities of the Steel Plant. The petitioner, while applying for issuance of tender documents in works contracts, submitted Income-tax Clearance Certificate declaring gross contract receipts of Rs.22,50,702/- and Rs.26,84,239/- for the Assessment years 2000-2001 and 2001-2002 respectively. After coming to know that he was misguided by the Income-tax Practitioner, he submitted revised Income-tax Clearance Certificate to the Department by getting the mistakes rectified. Now, his grievance is that the 1st respondent, without taking lenient view, issued two letters dated 7.4.2003 and 18.6.2003 respectively debarring him from entering into any further business whatsoever with Visakhapatnam Steel Plant for a period of 5 years and also terminating his existing two contracts from 7.4.2003 on the ground that he submitted Forged/Tampered/Fraudulent Income Tax Clearance Certificate.

Heard the learned counsel for both the parties and perused the material placed on record.

According to the petitioner, he is not at all in arrears to the Income-tax Department and the revised Income-tax Clearance Certificate clearly discloses the correct contract receipts, as such, the 1st respondent-Deputy General Manager ought not to have taken such a drastic step of terminating his existing tenders and debarring him for a period of five years.

Evidently, the petitioner had produced false Income-tax Clearance Certificate while applying for issuance of tender documents in Works Contracts, which definitely requires a stern action. Maybe, it is a fact that subsequently, he filed revised return of income-tax which discloses correct contract receipts, but that will not exonerate him from the fraud he committed. Hence, the 1st respondent-Deputy General Manger is justified in cancelling the tenders and debarring him from entering into any further business with Visakhapatnam Steel Plant. As the impugned order was issued in the month of April, 2003 and almost four years are over, this Court deems it appropriate to restrict the period of debar of 5 years imposed by the 1st respondent to 4 years and direct the respondents to permit the petitioner to enter into business contracts from now onwards, provided he is otherwise eligible and satisfies other requirements as per law.

In terms of the above direction, the writ petition is disposed of. No costs.

_____

11.07.2007

bcj